

STATE OF MINNESOTA
OFFICE OF ADMINISTRATIVE HEARINGS
FOR THE COMMISSIONER OF COMMERCE

In the Matter of Crystal Dodge-Busch
and Precision Lending, Inc.

**FINDINGS OF FACT,
CONCLUSIONS, AND
RECOMMENDATION**

The above-entitled matter came on for a hearing before Administrative Law Judge Kathleen D. Sheehy on November 1, 2006, at 9:30 a.m. at the Office of Administrative Hearings in Minneapolis, Minnesota. The OAH record closed at the conclusion of the hearing on that day.

Michael J. Tostengard, Assistant Attorney General, 1200 Bremer Tower, 445 Minnesota Street, St. Paul, Minnesota 55101-2130, appeared on behalf of the Department of Commerce (Department). There was no appearance by or on behalf of Crystal Dodge-Busch or Precision Lending, Inc. (Respondents).

STATEMENT OF ISSUES

1. Did the Respondents engage in acts or practices that demonstrate untrustworthiness, incompetence and financial irresponsibility, subjecting them to discipline under Minn. Stat. § 45.027, subd. 7(a)(1)(4) (2004)?
2. Did the Respondents improperly withhold, misappropriate, or convert funds received in the course of doing insurance business, subjecting them to discipline under Minn. Stat. § 60K.43, subd. 1(4) (2004)?
3. Did the Respondents engage in fraudulent and deceptive practices in the course of doing insurance business, subjecting them to discipline under Minn. Stat. § 60K.43, subd. 1(8) (2004)?
4. Did the Respondents improperly commingle funds from a real estate trust account, subjecting them to discipline under Minn. Stat. § 82.50, subd. 4 (2004)?
5. Did the Respondents fail to observe high standards of commercial honor in the conduct of an insurance business, in violation of Minn. R. 2795.1000 (2005)?

6. Did the Respondents commit deceptive and dishonest acts and demonstrate untrustworthiness, subjecting them to discipline under Minn. Stat. § 58.12, subd. 2(iv) & (v) (2004)?

Based upon all of the proceedings herein, the Administrative Law Judge makes the following:

FINDINGS OF FACT

1. On October 5, 2006, the Notice of and Order for Hearing, Order to Show Cause, Order for Summary Suspension, and Statement of Charges (Notice and Order for Hearing) initiating this contested case proceeding was served on the Respondents by first-class mail at their most recent address on file with the Department: 482 Liberty Circle, Somerset, WI 54025.^[1]

2. The Notice and Order for Hearing set a hearing date at 9:30 a.m. on November 1, 2006.

3. The Notice and Order for Hearing contained the following language: Respondents' failure to appear at the contested case hearing and/or prehearing conference may result in a finding that the Respondents are in default, that the Department's allegations contained in the Statement of Charges may be accepted as true, and its proposed action may be upheld.^[2]

4. The Respondents did not file a notice of appearance or make any request prior to the November 1, 2006, hearing for a continuance or any other relief. No one appeared on behalf of the Respondents at the hearing on November 1, 2006.

5. Because the Respondents failed to appear at the hearing in this matter, they are in default.

6. Pursuant to Minn. Rules part 1400.6000, the allegations contained in the Notice of Hearing are hereby taken as true and incorporated into these Findings of Fact.

Based upon the foregoing Findings of Fact, the Administrative Law Judge makes the following:

CONCLUSIONS

1. The Administrative Law Judge and the Commissioner of Commerce have jurisdiction over this matter pursuant to Minn. Stat. §§ 14.50, 45.027, and 60K.43, subd. 2.

2. The Notice and Order for Hearing was proper, and the Department has complied with all relevant procedural legal requirements.

3. The Respondents, having made no appearance at the hearing, and not requesting any continuance or relief, are in default. Pursuant to Minn. Rules part

1400.6000, the allegations contained in the Notice and Order for Hearing are hereby taken as true.

4. Respondent Crystal Dodge-Busch has held licenses as an insurance producer and a title insurance agent. She is also an owner of Precision Lending, Inc., which has held a license as a real estate mortgage originator. The Respondents misappropriated funds from the escrow account of Verity Title and commingled those funds with the accounts of other business entities and with their personal accounts.^[3]

5. The Respondents engaged in acts or practices demonstrating untrustworthiness, incompetence and financial irresponsibility, subjecting them to discipline under Minn. Stat. § 45.027, subd. 7(a)(1)(4).

6. Respondent Crystal Dodge-Busch withheld, misappropriated, or converted funds received in the course of doing insurance business, subjecting her to discipline under Minn. Stat. § 60K.43, subd. 1(4).

7. Respondent Crystal Dodge-Busch engaged in fraudulent and deceptive practices in the course of doing insurance business, subjecting her to discipline under Minn. Stat. § 60K.43, subd. 1(8).

8. There is no allegation that either of the Respondents was a licensed real estate broker, salesperson, or closing agent under Minnesota Statutes chapter 82. There is no basis in the record for subjecting them to discipline for commingling funds under Minn. Stat. § 82.50, subd. 4.

9. Respondent Crystal Dodge-Busch failed to observe high standards of commercial honor in the conduct of an insurance business, in violation of Minn. R. 2795.1000.

10. Respondent Crystal Dodge-Busch, as owner, and Respondent Precision Lending, Inc., as a licensed mortgage originator, committed deceptive and dishonest acts and demonstrated untrustworthiness, subjecting them to discipline under Minn. Stat. § 58.12, subd. 2(iv) & (v).

11. The imposition of sanctions is in the public interest.

Based upon the foregoing Conclusions, the Administrative Law Judge makes the following:

RECOMMENDATION

IT IS HEREBY RECOMMENDED that the Commissioner of Commerce discipline, censure, and/or impose an appropriate civil penalty against the Respondents.

Dated: November 1, 2006

s/Kathleen D. Sheehy

KATHLEEN D. SHEEHY
Administrative Law Judge

Reported: Default (no tape recordings).

NOTICE

This Report is a recommendation, not a final decision. The Commissioner of Commerce will make the final decision after a review of the record. The Commissioner may adopt, reject or modify the Findings of Fact, Conclusions, and Recommendations. Under Minn. Stat. § 14.61, the final decision of the Commissioner shall not be made until this Report has been made available to the parties to the proceeding for at least ten days. An opportunity must be afforded to each party adversely affected by this Report to file exceptions and present argument to the Commissioner. Parties should contact the office of Kevin Murphy, Deputy Commissioner of Commerce, 85 Seventh Place East, Suite 500, St. Paul, Minnesota 55101-2198, to ascertain the procedure for filing exceptions or presenting argument. Pursuant to Minn. Stat. § 14.62, subd. 1, the Agency is required to serve its final decision upon each party and the Administrative Law Judge by first-class mail or as otherwise provided by law.

If the Commissioner fails to issue a final decision within 90 days of the close of the record, this report will constitute the final agency decision under Minn. Stat. § 14.62, subd. 2a. In order to comply with this statute, the Commissioner must then return the record to the Administrative Law Judge within 10 working days to allow the Judge to determine the discipline to be imposed. The record closes upon the filing of exceptions to the report and the presentation of argument to the Commissioner, or upon the expiration of the deadline for doing so. The Commissioner must notify the parties and the Administrative Law Judge of the date on which the record closes.

^[1] Affidavit of Jean-Anne Gates (October 10, 2006); Affidavit of Service by First Class Mail (October 5, 2006).

^[2] Notice and Order for Hearing at 5.

^[3] Statement of Charges ¶ 2.